

EXHIBIT 1

ARNOLD & PORTER LLP

Louis S. Ederer
Louis.Ederer@aporter.com

212.715.1102
212.715.1399 Fax

399 Park Avenue
New York, NY 10022-4690

October 2, 2007

VIA EMAIL

James W. Dabney, Esq.
Fried Frank Harris Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004-1980

Re: Yves Saint Laurent v. Costco Wholesale Corp., 07 cv 3214 (CBS)

Dear Mr. Dabney:

This is in response to your September 24, 2007 letter.

Just as you asked Magistrate Judge Pitman at the oral argument on September 21 to direct me to tell you what evidence YSL had that the goods at issue were first introduced without its authorization, and Judge Pitman declined to do so, I will similarly not respond to what appears to be the same request in your letter. You will have the opportunity to inquire in discovery as to the evidence YSL may have in its possession that relates to these allegations.

I do have, however, another issue to take up with you. Last week, YSL determined that an OPIUM brand perfume product purchased at a Costco store in Florida is counterfeit. OPIUM is an extremely important brand for YSL and this is a very serious matter. We are in the process of investigating this situation further. However, YSL has no doubt that counterfeits of its products are currently being sold at Costco.

We accordingly hereby ask you to instruct your client to immediately remove from sale all units of OPIUM fragrance products now being sold at Costco, and to preserve all inventory of OPIUM products (and specifically not to return such products to their supplier) while we continue our investigation. We also ask that you immediately inform us of the identity of Costco's supplier for these products, so that we may notify that party of its sale of counterfeit goods.

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Please immediately acknowledge your receipt of this letter and confirm your client's agreement to take the goods in question off sale and hold them in inventory. Please also include a copy of this letter in your submission to Judge Sand if you intend to refer to your September 24 letter, or the issues raised therein, in your submission.

Very truly yours,

ARNOLD & PORTER LLP

By:



Louis S. Ederer

cc: YSL Beaute, Inc.